

ANNUAL STATEMENT

For the Year Ending December 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

CARE CHOICES HMO

NAIC Group Code	0000	,	0000	NAIC Company Code	95452	Employer's ID Number	38-2694901
	(Current Period)		(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America						
Licensed as business type:	Life, Accident & Health[]		Property/Casualty[]		Hospital, Medical & Dental Service or Indemnity[]		
	Dental Service Corporation[]		Vision Service Corporation[]		Health Maintenance Organization[X]		
	Other[]		Is HMO Federally Qualified? Yes[X] No[]				
Date Incorporated or Organized	07/08/1986			Date Commenced Business	01/01/1987		
Statutory Home Office	34605 Twelve Mile Road			Farmington Hills, MI 48331			
	(Street and Number)			(City, or Town, State and Zip Code)			
Main Administrative Office	34605 Twelve Mile Road						
	(Street and Number)						
	Farmington Hills, MI 48331			(248)489-6321			
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)			
Mail Address	34605 Twelve Mile Road			Farmington Hills, MI 48331			
	(Street and Number or P.O. Box)			(City, or Town, State and Zip Code)			
Primary Location of Books and Records	34605 Twelve Mile Road						
	(Street and Number)						
	Farmington Hills, MI 48331			(248)489-6321			
	(City, or Town, State and Zip Code)			(Area Code) (Telephone Number)			
Internet Website Address	www.carechoices.com						
Statement Contact	Donna J. West			(248)489-6321			
	(Name)			(Area Code)(Telephone Number)(Extension)			
	WESTD@trinity-health.org			(248)489-6191			
	(E-Mail Address)			(Fax Number)			
Policyowner Relations Contact							
	(Street and Number)						
				(Area Code) (Telephone Number)(Extension)			
	(City, or Town, State and Zip Code)						

OFFICERS

President and CEO	William R. Alvin
Secretary	Jeanne Dunk
Chief Financial Officer	Michael Koziara
Chief Medical Officer	Paul Dake MD

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

James H. Peppiatt-Combes	Jay Herron
Paul Harkaway MD	William R. Alvin
Howard B. Weinblatt MD	Molly Resnik
Mary Ellen Howard RSM	Lisa Reed
Michael Slubowski	Agnes Spitz

State ofMichigan

County ofOaklandss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)	(Signature)	(Signature)
William R. Alvin	Jeanne Dunk	Michael Koziara
(Printed Name)	(Printed Name)	(Printed Name)
President & CEO	Secretary	Chief Financial Officer
	a. Is this an original filing?	Yes[X] No[]
	b. If no,	
Subscribed and sworn to before me this	1. State the amendment number	
day of	2. Date filed	
, 2003	3. Number of pages attached	

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets	Net Admitted Assets
1.	Bonds	2,686,645		2,686,645	
2.	Stocks:				
2.1	Preferred stocks				
2.2	Common stocks				
3.	Mortgage loans on real estate:				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$..... encumbrances)			(a)	
4.2	Properties held for the production of income (less \$..... encumbrances)				
4.3	Properties held for sale (less \$..... encumbrances)				
5.	Cash (\$.....47,567,241, Schedule E - Part 1) and short-term investments (\$.....1,022,029, Schedule DA - Part 2)	48,589,270		48,589,270	52,213,735
6.	Other long-term invested assets				
7.	Receivable for securities				
8.	Aggregate write-ins for invested assets				
9.	Subtotal, cash and invested assets (Lines 1 to 8)	51,275,915		51,275,915	52,213,735
10.	Accident and health premiums due and unpaid	1,473,239	22,018	1,451,221	1,574,129
11.	Health care receivables	1,843,150		1,843,150	817,609
12.	Amounts recoverable from reinsurers	247,181		247,181	338,774
13.	Net adjustment in assets and liabilities due to foreign exchange rates				
14.	Investment income due and accrued	73,178		73,178	61,078
15.	Amounts due from parent, subsidiaries and affiliates	926,676		926,676	829,001
16.	Amounts receivable relating to uninsured accident and health plans				
17.	Furniture and equipment				
18.	Amounts due from agents				
19.	Federal and foreign income tax recoverable and interest thereon (including \$..... net deferred tax asset)				
20.	Electronic data processing equipment and software				
21.	Other nonadmitted assets				
22.	Aggregate write-ins for other than invested assets				
23.	Total assets (Lines 9 plus 10 through 22)	55,839,339	22,018	55,817,321	55,834,326
DETAILS OF WRITE-INS					
0801	.....			
0802	.....			
0803	.....			
0898.	Summary of remaining write-ins for Line 8 from overflow page				
0899.	TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above)				
2201.	State of Michigan - Psycotropic drug refund				
2202.	A/P Claims				
2203	.....			
2298.	Summary of remaining write-ins for Line 22 from overflow page				
2299.	TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above)				

(a) \$..... health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	25,755,047		25,755,047	27,576,052
2.	Accrued medical incentive pool and bonus payments	102,151		102,151	307,735
3.	Unpaid claims adjustment expenses				
4.	Aggregate policy reserves				
5.	Aggregate claim reserves				
6.	Premiums received in advance	1,910,752		1,910,752	2,426,178
7.	General expenses due or accrued	219,145		219,145	
8.	Federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses)) (including \$..... net deferred tax liability)				
9.	Amounts withheld or retained for account of others				
10.	Borrowed money (including \$..... current) and interest thereon \$..... (including\$..... current)				
11.	Amounts due to parent, subsidiaries and affiliates	4,587,142		4,587,142	5,148,297
12.	Payable to securities				
13.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers				
14.	Reinsurance in unauthorized companies				
15.	Net adjustments in assets and liabilities due to foreign exchange rates				
16.	Liability for amounts held under uninsured accident and health plans				
17.	Aggregate write-ins for other liabilities (including \$..... current)				339,721
18.	Total liabilities (Lines 1 to 17)	32,574,237		32,574,237	35,797,983
19.	Common capital stock	X X X	X X X		
20.	Preferred capital stock	X X X	X X X		
21.	Gross paid in and contributed surplus	X X X	X X X	16,500,000	11,500,000
22.	Surplus notes	X X X	X X X		5,000,000
23.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
24.	Unassigned funds (surplus)	X X X	X X X	6,743,084	3,536,343
25.	Less treasury stock, at cost:	X X X	X X X		
25.1	..... shares common (value included in Line 19 \$.....)	X X X	X X X		
25.2	..... shares preferred (value included in Line 20 \$.....)	X X X	X X X		
26.	Total capital and surplus (Lines 19 to 25)	X X X	X X X	23,243,084	20,036,343
27.	Total liabilities, capital and surplus (Lines 18 and 26)	X X X	X X X	55,817,321	55,834,326
DETAILS OF WRITE-INS					
1701.	.....			
1702.	Accrued Liabilities				339,721
1703	.....			
1798.	Summary of remaining write-ins for Line 17 from overflow page				
1799.	TOTALS (Lines 1701 through 1703 plus 1798) (Line 17 above)				339,721
2301	.....	X X X	X X X		
2302	.....	X X X	X X X		
2303	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	1,526,143	1,563,101
2.	Net premium income	X X X	286,442,742	258,627,838
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate Write-Ins for Other health care related revenues	X X X		
7.	Total revenues (Lines 2 to 6)	X X X	286,442,742	258,627,838
Medical and Hospital:				
8.	Hospital/medical benefits		186,850,314	175,335,196
9.	Other Professional Services			
10.	Outside Referrals			
11.	Emergency room and out-of-area		9,453,624	7,535,291
12.	Prescription drugs		52,163,882	
13.	Aggregate write-ins for other medical and hospital			48,306,192
14.	Incentive pool and withhold adjustments		(817,835)	2,066,183
15.	Subtotal (Lines 8 to 14)		247,649,985	233,242,862
LESS:				
16.	Net reinsurance recoveries		(151,770)	(272,395)
17.	Total medical and hospital (Lines 15 minus 16)		247,801,755	233,515,257
18.	Claims adjustment expenses		3,403,305	1,318,751
19.	General administrative expenses		34,242,767	28,787,420
20.	Increase in reserves for accident and health contracts			
21.	Total underwriting deductions (Lines 17 through 20)		285,447,827	263,621,428
22.	Net underwriting gain or (loss) (Lines 7 minus 21)	X X X	994,915	(4,993,590)
23.	Net investment income earned		845,354	1,526,522
24.	Net realized capital gains or (losses)		(38,749)	3,274
25.	Net investment gains or (losses) (Lines 23 plus 24)		806,605	1,529,796
26.	Net gain or (Loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
27.	Aggregate write-ins for other income or expenses		1,371,761	683,079
28.	Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)		3,173,281	(2,780,715)
29.	Federal and foreign income taxes incurred	X X X		
30.	Net income (loss) (Lines 28 minus 29)	X X X	3,173,281	(2,780,715)
DETAILS OF WRITE-INS				
0601	.....	X X X		
0602	.....	X X X		
0603	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
1301.	Pharmacy Expense			48,306,192
1302	.....		
1303	.....		
1398.	Summary of remaining write-ins for Line 13 from overflow page			
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)			48,306,192
2701.	Supplemental Interest Income		1,131,761	683,079
2702.	Contribution- Molina Healthcare		240,000	
2703	.....		
2798.	Summary of remaining write-ins for Line 27 from overflow page			
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)		1,371,761	683,079

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
31.	Capital and surplus prior reporting year	20,036,343	11,307,417
GAINS AND LOSSES TO CAPITAL & SURPLUS			
32.	Net income or (loss) from Line 30	3,173,281	(2,780,715)
33.	Change in valuation basis of aggregate policy and claim reserves		
34.	Net unrealized capital gains and losses	53,502	168,339
35.	Change in net unrealized foreign exchange capital gain or (loss)		
36.	Change in net deferred income tax		
37.	Change in nonadmitted assets	(20,042)	(158,698)
38.	Change in unauthorized reinsurance		
39.	Change in treasury stock		
40.	Change in surplus notes	(5,000,000)	
41.	Cumulative effect of changes in accounting principles		
42.	Capital Changes:		
42.1	Paid in		
42.2	Transferred from surplus (Stock Dividend)		
42.3	Transferred to surplus		
43.	Surplus adjustments:		
43.1	Paid in	5,000,000	11,500,000
43.2	Transferred to capital (Stock Dividend)		
43.3	Transferred from capital		
44.	Dividends to stockholders		
45.	Aggregate write-ins for gains or (losses) in surplus		
46.	Net change in capital and surplus (Lines 32 to 45)	3,206,741	8,728,926
47.	Capital and surplus end of reporting year (Line 31 plus 46)	23,243,084	20,036,343
DETAILS OF WRITE-INS			
4501	.....	
4502	.....	
4503	.....	
4598.	Summary of remaining write-ins for Line 45 from overflow page		
4599.	TOTALS (Lines 4501 through 4503 plus 4598) (Line 45 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums and revenues collected net of reinsurance	284,967,645	258,599,543
2.	Claims and claims adjustment expenses	252,057,476	235,787,062
3.	General administrative expenses paid	34,242,767	28,787,420
4.	Other underwriting income (expenses)		
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(1,332,598)	(5,974,939)
6.	Net investment income	794,505	1,808,333
7.	Other income (expenses)	1,371,761	683,079
8.	Federal and foreign income taxes (paid) recovered		
9.	Net cash from operations (Line 5 to 8)	833,668	(3,483,527)
Cash from Investments			
10.	Proceeds from investments sold, matured or repaid:		
10.1	Bonds	6,843,710	567,933
10.2	Stocks		
10.3	Mortgage loans		
10.4	Real estate		
10.5	Other invested assets		
10.6	Net gains or (losses) on cash and short-term investments		3,274
10.7	Miscellaneous proceeds		
10.8	Total investment proceeds (Lines 10.1 to 10.7)	6,843,710	571,207
11.	Cost of investments acquired (long-term only):		
11.1	Bonds	9,530,355	
11.2	Stocks		
11.3	Mortgage loans		
11.4	Real estate		
11.5	Other invested assets		
11.6	Miscellaneous applications		
11.7	Total investments acquired (Lines 11.1 to 11.6)	9,530,355	
12.	Net cash from investments (Line 10.8 minus Line 11.7)	(2,686,645)	571,207
Cash from Financing and Miscellaneous Sources			
13.	Cash provided:		
13.1	Surplus notes, capital and surplus paid in		11,500,000
13.2	Net transfers from affiliates		8,851,858
13.3	Borrowed funds received		
13.4	Other cash provided		1,435,863
13.5	Total (Lines 13.1 to 13.4)		21,787,721
14.	Cash applied:		
14.1	Dividends to stockholder paid		
14.2	Net transfers to affiliates	658,830	
14.3	Borrowed funds repaid		
14.4	Other applications	1,112,658	1,736,744
14.5	Total (Lines 14.1 to 14.4)	1,771,488	1,736,744
15.	Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	(1,771,488)	20,050,977
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
16.	Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	(3,624,465)	17,138,657
17.	Cash and short-term investments:		
17.1	Beginning of year	52,213,735	35,075,078
17.2	End of year (Line 16 plus Line 17.1)	48,589,270	52,213,735

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (medical and hospital)	277,989,005	.....	888,518	277,100,487
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan Premiums .....	.....	.....	.....	.....
6.	Title XVIII - Medicare	(20,765)	.....	.....	(20,765)
7.	Title XIX - Medicaid	9,557,081	.....	194,061	9,363,020
8.	Other .....	.....	.....	.....	.....
9.	TOTALS	287,525,321	.....	1,082,579	286,442,742

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Payments during the year:									
1.1 Direct	250,048,823	239,894,595					197,613	9,956,615	
1.2 Reinsurance assumed									
1.3 Reinsurance ceded									
1.4 Net	250,048,823	239,894,595					197,613	9,956,615	
2. Paid medical incentive pools and bonuses	(919,986)	(919,986)							
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct	25,755,047	24,948,231					21,614	785,202	
3.2 Reinsurance assumed									
3.3 Reinsurance ceded									
3.4 Net	25,755,047	24,948,231					21,614	785,202	
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct									
4.2 Reinsurance assumed									
4.3 Reinsurance ceded									
4.4 Net									
5. Accrued medical incentive pools and bonuses, current year	102,151	102,151							
6. Amounts recoverable from reinsurers December 31, current year	247,181	226,181						21,000	
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct	27,576,052	25,054,925					310,180	2,210,947	
7.2 Reinsurance assumed									
7.3 Reinsurance ceded									
7.4 Net	27,576,052	25,054,925					310,180	2,210,947	
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct									
8.2 Reinsurance assumed									
8.3 Reinsurance ceded									
8.4 Net									
9. Accrued medical incentive pools and bonuses, prior year									
10. Amounts recoverable from reinsurers December 31, prior year	338,774	234,662						104,112	
11. Incurred benefits:									
11.1 Direct	248,227,818	239,787,901					(90,953)	8,530,870	
11.2 Reinsurance assumed									
11.3 Reinsurance ceded	(91,593)	(8,481)						(83,112)	
11.4 Net	248,319,411	239,796,382					(90,953)	8,613,982	
12. Incurred medical incentive pools and bonuses	(817,835)	(817,835)							

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - Claims Liability End of Current Year

		1	2	3	4	5	6	7	8	9
		Total	Compre- hensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1.	Reported in Process of Adjustment:									
	1.1 Direct	3,693,721	3,509,035						184,686	
	1.2 Reinsurance assumed									
	1.3 Reinsurance ceded									
	1.4 Net	3,693,721	3,509,035						184,686	
2.	Incurred but Unreported:									
	2.1 Direct	20,172,203	19,664,549					12,784	494,870	
	2.2 Reinsurance assumed									
	2.3 Reinsurance ceded									
	2.4 Net	20,172,203	19,664,549					12,784	494,870	
3.	Amounts Withheld from Paid Claims and Capitations:									
	3.1 Direct	1,889,122	1,774,647					8,830	105,645	
	3.2 Reinsurance assumed									
	3.3 Reinsurance ceded									
	3.4 Net	1,889,122	1,774,647					8,830	105,645	
4.	TOTALS									
	4.1 Direct	25,755,046	24,948,231					21,614	785,201	
	4.2 Reinsurance assumed									
	4.3 Reinsurance ceded									
	4.4 Net	25,755,046	24,948,231					21,614	785,201	

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred Durring the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (medical and hospital)	21,502,969	218,402,141	2,089,559	22,858,672	23,592,528	25,054,925
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan Premiums						
6.	Title XVIII - Medicare	197,613		21,614		219,227	310,180
7.	Title XIX - Medicaid	1,528,238	8,569,633	543,166	242,036	2,071,404	2,210,947
8.	Other						
9.	Subtotal	23,228,820	226,971,774	2,654,339	23,100,708	25,883,159	27,576,052
10.	Medical incentive pools, accrual and disbursements		(919,986)		102,151		
11.	TOTALS	23,228,820	226,051,788	2,654,339	23,202,859	25,883,159	27,576,052

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)

Grand Total
Section A - Paid Claims

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior	38,247	801	194	(28)	(3)
2.	1998	204,314	34,152	1,706	173	(3)
3.	1999	X X X	220,146	35,145	1,254	(28)
4.	2000	X X X	X X X	221,423	22,942	494
5.	2001	X X X	X X X	X X X	210,014	22,769
6.	2002	X X X	X X X	X X X	X X X	226,972

Section B - Incurred Claims

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior	38,347	801	194	(28)	(3)
2.	1998	246,981	34,607	1,706	173	(3)
3.	1999	X X X	248,485	35,145	1,254	(28)
4.	2000	X X X	X X X	248,517	25,314	516
5.	2001	X X X	X X X	X X X	231,380	25,401
6.	2002	X X X	X X X	X X X	X X X	250,073

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	Prior to 1998	X X X	39,211		X X X	39,211	X X X			39,211	X X X
2.	1998	274,359	240,342			240,342	88			240,342	88
3.	1999	267,558	256,517			256,517	96			256,517	96
4.	2000	273,100	244,859			244,859	90			244,859	90
5.	2001	258,628	232,783			232,783	90	2,655		235,438	91
6.	2002	286,442	226,972	3,403	1	230,375	80	23,101		253,476	88
7.	TOTAL (Lines 1 through 6)	X X X	1,240,684	3,403	X X X	1,244,087	X X X	25,756		1,269,843	X X X
8.	TOTAL (Lines 2 through 6)	1,360,087	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)

Hospital and Medical

Section A - Paid Claims

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior	30,195	690	87	(24)	(3)
2.	1998	179,273	27,185	1,203	24	(2)
3.	1999	X X X	178,251	26,728	829	(21)
4.	2000	X X X	X X X	180,912	17,593	271
5.	2001	X X X	X X X	X X X	200,254	21,258
6.	2002	X X X	X X X	X X X	X X X	218,402

Section B - Incurred Claims

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior	30,195	690	87	(24)	(3)
2.	1998	210,940	27,185	1,203	24	(2)
3.	1999	X X X	195,188	26,728	829	(21)
4.	2000	X X X	X X X	201,439	19,374	271
5.	2001	X X X	X X X	X X X	219,926	23,347
6.	2002	X X X	X X X	X X X	X X X	241,261

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1998	X X X	30,945		X X X	30,945	X X X			30,945	X X X
2.	1998	231,315	207,683			207,683	90			207,683	90
3.	1999	217,430	205,787			205,787	95			205,787	95
4.	2000	226,930	198,776			198,776	88			198,776	88
5.	2001	245,497	221,512			221,512	90	2,090		223,602	91
6.	2002	277,079	218,402	3,403	2	221,805	80	22,859		244,664	88
7.	TOTAL (Lines 1 through 6)	X X X	1,083,105	3,403	X X X	1,086,508	X X X	24,949		1,111,457	X X X
8.	TOTAL (Lines 2 through 6)	1,198,251	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)
Federal Employees Health Benefits Plan Premiums

Section A - Paid Claims

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior	1,545	7			
2.	1998	6,354	302			
3.	1999	X X X	697			
4.	2000	X X X	X X X			
5.	2001	X X X	X X X	X X X		
6.	2002	X X X	X X X	X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior	1,545	7			
2.	1998	7,764	302			
3.	1999	X X X	708			
4.	2000	X X X	X X X			
5.	2001	X X X	X X X	X X X		
6.	2002	X X X	X X X	X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1998	X X X	1,552		X X X	1,552	X X X			1,552	X X X
2.	1998	7,542	6,656			6,656	88			6,656	88
3.	1999	587	697			697	119			697	119
4.	2000										
5.	2001										
6.	2002										
7.	TOTAL (Lines 1 through 6)	X X X	8,905		X X X	8,905	X X X			8,905	X X X
8.	TOTAL (Lines 2 through 6)	8,129	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Claims

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior	319	2			
2.	1998	5,212	1,819	39	3	
3.	1999	X X X	16,848	2,470	106	
4.	2000	X X X	X X X	20,018	3,311	198
5.	2001	X X X	X X X	X X X		
6.	2002	X X X	X X X	X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior	319	2			
2.	1998	7,213	1,971	39	3	
3.	1999	X X X	19,580	2,470	106	
4.	2000	X X X	X X X	22,828	3,581	220
5.	2001	X X X	X X X	X X X		
6.	2002	X X X	X X X	X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1998	X X X	321		X X X	321	X X X			321	X X X
2.	1998	11,379	7,073			7,073	62			7,073	62
3.	1999	20,763	19,424			19,424	94			19,424	94
4.	2000	25,307	23,527			23,527	93			23,527	93
5.	2001	106						22		22	21
6.	2002										
7.	TOTAL (Lines 1 through 6)	X X X	50,345		X X X	50,345	X X X	22		50,367	X X X
8.	TOTAL (Lines 2 through 6)	57,555	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)

Title XIX - Medicaid
Section A - Paid Claims

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior	6,188	102	107	(4)	
2.	1998	13,475	4,846	464	146	(1)
3.	1999	X X X	24,350	5,947	319	(7)
4.	2000	X X X	X X X	20,493	2,038	25
5.	2001	X X X	X X X	X X X	9,760	1,511
6.	2002	X X X	X X X	X X X	X X X	8,570

Section B - Incurred Claims

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior	6,288	102	107	(4)	
2.	1998	21,064	5,149	464	146	(1)
3.	1999	X X X	33,009	5,947	319	(7)
4.	2000	X X X	X X X	24,250	2,359	25
5.	2001	X X X	X X X	X X X	11,454	2,054
6.	2002	X X X	X X X	X X X	X X X	8,812

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1998	X X X	6,393		X X X	6,393	X X X			6,393	X X X
2.	1998	24,123	18,930			18,930	78			18,930	78
3.	1999	28,778	30,609			30,609	106			30,609	106
4.	2000	20,863	22,556			22,556	108			22,556	108
5.	2001	13,025	11,271			11,271	87	543		11,814	91
6.	2002	9,363	8,570			8,570	92	242		8,812	94
7.	TOTAL (Lines 1 through 6)	X X X	98,329		X X X	98,329	X X X	785		99,114	X X X
8.	TOTAL (Lines 2 through 6)	96,152	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)

Other

Section A - Paid Claims

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior .....	.....	.....	.....	.....	.....
2.	1998 .....	.....	.....	.....	.....	.....
3.	1999 .....	..... X X X .....	.....	.....	.....	.....
4.	2000 .....	..... X X X .....	..... X X X .....	.....	.....	.....
5.	2001 .....	..... X X X .....	..... X X X .....	..... X X X .....	.....	.....
6.	2002 .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	.....

Section B - Incurred Claims

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior .....	.....	.....	.....	.....	.....
2.	1998 .....	.....	.....	.....	.....	.....
3.	1999 .....	..... X X X .....	.....	.....	.....	.....
4.	2000 .....	..... X X X .....	..... X X X .....	.....	.....	.....
5.	2001 .....	..... X X X .....	..... X X X .....	..... X X X .....	.....	.....
6.	2002 .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	.....

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

		1	2	3	4	5	6	7	8	9	10
Years in Which Premiums were Earned and Claims were Incurred		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1998 .....	..... X X X .....	.....	.....	..... X X X .....	.....	..... X X X .....	.....	.....	.....	..... X X X
2.	1998 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	1999 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	2000 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5.	2001 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6.	2002 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7.	TOTAL (Lines 1 through 6) .....	..... X X X .....	.....	.....	..... X X X .....	.....	..... X X X .....	.....	.....	.....	..... X X X
8.	TOTAL (Lines 2 through 6) .....	.....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
POLICY RESERVE									
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$#####) for investment income									
5. Aggregate write-ins for other policy reserves									
6. Totals (gross)									
7. Reinsurance ceded									
8. Totals (Net) (Page 3, Line 4)									
CLAIM RESERVE									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (gross)									
13. Reinsurance ceded									
14. Totals (Net) (Page 3, Line 5)									
DETAILS OF WRITE-INS									
0501									
0502									
0503									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101									
1102									
1103									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)									

(a) Includes \$..... premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		1	2	3	4
		Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$..... for occupancy of own building)				
2.	Salaries, wages and other benefits	3,143,293	14,528,178		17,671,471
3.	Commissions (less \$..... ceded plus \$..... assumed) ...				
4.	Legal fees and expenses		130,395		130,395
5.	Certifications and accreditation fees				
6.	Auditing, actuarial and other consulting services		258,207		258,207
7.	Traveling expenses		327,854		327,854
8.	Marketing and advertising		2,079,669		2,079,669
9.	Postage, express and telephone		806,222		806,222
10.	Printing and office supplies		1,581,068		1,581,068
11.	Occupancy, depreciation and amortization		4,430,085		4,430,085
12.	Equipment		1,020,090		1,020,090
13.	Cost or depreciation of EDP equipment and software				
14.	Outsourced services including EDP, claims, and other services		7,253,020		7,253,020
15.	Boards, bureaus and association fees		470,787		470,787
16.	Insurance, except on real estate				
17.	Collection and bank service charges				
18.	Group service and administration fees				
19.	Reimbursements by uninsured accident and health plans				
20.	Reimbursements from fiscal intermediaries				
21.	Real estate expenses				
22.	Real estate taxes				
23.	Taxes, licenses and fees:				
23.1	State and local insurance taxes				
23.2	State premium taxes				
23.3	Regulator authority licenses and fees				
23.4	Payroll taxes	260,012	1,201,767		1,461,779
23.5	Other (excluding federal income and real estate taxes)				
24.	Investment expenses not included elsewhere		155,426		155,426
25.	Aggregate write-ins for expenses				
26.	Total expenses incurred (Lines 1 to 25)	3,403,305	34,242,768		(a).... 37,646,073
27.	Add expenses unpaid December 31, prior year				
28.	Less expenses unpaid December 31, current year				
29.	Amounts receivable relating to uninsured accident and health plans, prior year				
30.	Amounts receivable relating to uninsured accident and health plans, current year				
31.	Total expenses paid (Lines 26 plus 27 minus 28 minus 29 plus 30) .	3,403,305	34,242,768		37,646,073
DETAILS OF WRITE-INS					
2501	.....			
2502	.....			
2503	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	Totals (Lines 2501 through 2503 + 2598)(Line 25 above)				

(a) Includes management fees of \$..... to affiliates and \$..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)..... 35,940	65,260
1.1	Bonds exempt from U.S. tax	(a).....	
1.2	Other bonds (unaffiliated)	(a).....	
1.3	Bonds of affiliates	(a).....	
2.1	Preferred stocks (unaffiliated)	(b).....	
2.11	Preferred stocks of affiliates	(b).....	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c).....	
4.	Real estate	(d).....	
5.	Contract loans		
6.	Cash/short-term investments	(e)..... 736,236	780,094
7.	Derivative instruments	(f).....	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	Total gross investment income	772,176	845,354
11.	Investment expenses		(g).....
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		
17.	Net Investment income (Line 10 minus Line 16)		845,354
DETAILS OF WRITE-INS			
0901	.....	
0902	.....	
0903	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)		
1501	.....	
1502	.....	
1503	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		

- (a) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
- (b) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued dividends on purchases.
- (c) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
- (d) Includes \$..... for company's occupancy of its own buildings; and excluding \$..... interest on encumbrances.
- (e) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
- (f) Includes \$..... accrual of discount less \$..... amortization of premium.
- (g) Includes \$..... investment expenses and \$..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$..... interest on surplus notes and \$..... interest on capital notes.
- (i) Includes \$..... depreciation on real estate and \$..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1.	U.S. Government bonds	(38,749)				(38,749)
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)					
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash/short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	(38,749)				(38,749)
DETAILS OF WRITE-INS						
0901	.....				
0902	.....				
0903	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)					

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

		1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) or Decrease
1.	Summary of items Page 2, Lines 10 to 13 and 15 to 20, Column 2	22,018	1,976	(20,042)
2.	Other Nonadmitted Assets:			
2.1	Bills receivable			
2.2	Leasehold improvements			
2.3	Cash advanced to or in the hands of officers and agents			
2.4	Loans on personal security, endorsed or not			
2.5	Commuted commissions			
3.	Total (Lines 2.1 to 2.5)			
4.	Aggregate write-ins for other assets			
5.	TOTAL (Line 1 plus Line 3 and Line 4)	22,018	1,976	(20,042)
DETAILS OF WRITE-INS				
0401	.....		
0402	.....		
0403	.....		
0498.	Summary of remaining write-ins for Line 4 from overflow page			
0499.	TOTALS (Lines 0401 through 0403 plus 0498) (Line 4 above)			

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	129,578	129,995	130,964	127,322	120,679	1,526,143
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	129,578	129,995	130,964	127,322	120,679	1,526,143
DETAILS OF WRITE-INS							
0601	.....					
0602	.....					
0603	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statement

SUMMARY INVESTMENT SCHEDULE

Investment Categories		Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
		1 Amount	2 Percentage	3 Amount	4 Percentage
1.	Bonds:				
1.1	U.S. treasury securities			1,338,103	2.610
1.2	U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21	Issued by U.S. government agencies				
1.22	Issued by U.S. government sponsored agencies			941,848	1.837
1.3	Foreign government (including Canada, excluding mortgage-backed securities)			146,398	0.286
1.4	Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41	States, territories and possessions general obligations				
1.42	Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43	Revenue and assessment obligations				
1.44	Industrial development and similar obligations				
1.5	Mortgage-backed securities (includes residential and commercial MBS):				
1.51	Pass-through securities:				
1.511	Guaranteed by GNMA				
1.512	Issued by FNMA and FHLMC			260,296	0.508
1.513	Privately issued				
1.52	CMOs and REMICs:				
1.521	Issued by FNMA and FHLMC				
1.522	Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523	All other privately issued				
2.	Other debt and other fixed income securities (excluding short term):				
2.1	Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2	Unaffiliated foreign securities				
2.3	Affiliated securities				
3.	Equity interests:				
3.1	Investments in mutual funds				
3.2	Preferred stocks:				
3.21	Affiliated				
3.22	Unaffiliated				
3.3	Publicly traded equity securities (excluding preferred stocks):				
3.31	Affiliated				
3.32	Unaffiliated				
3.4	Other equity securities:				
3.41	Affiliated				
3.42	Unaffiliated				
3.5	Other equity interests including tangible personal property under lease:				
3.51	Affiliated				
3.52	Unaffiliated				
4.	Mortgage loans:				
4.1	Construction and land development				
4.2	Agricultural				
4.3	Single family residential properties				
4.4	Multifamily residential properties				
4.5	Commercial loans				
5.	Real estate investments:				
5.1	Property occupied by company				
5.2	Property held for production of income (includes \$..... of property acquired in satisfaction of debt)				
5.3	Property held for sale (\$..... including property acquired in satisfaction of debt)				
6.	Policy loans				
7.	Receivables for securities				
8.	Cash and short-term investments			48,589,270	94.760
9.	Other invested assets				
10.	Total invested assets			51,275,915	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Michigan
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/1999
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/1999
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

09/25/2000
- 3.4 By what department or departments?
OFIS - Department of Consumer & Industry Services formerly called the Michigan Insurance Bureau
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement)

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

GENERAL INTERROGATORIES (continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche , 600 Renaissance Center, Suite 900, Detroit, MI 48243-1704

9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Deloitte & Touche, 400 One Financial Plaza, 120 South Sixth Street, Minneapolis, MN 55402

10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?
10.3 Have there been any changes made to any of the trust indentures during the year?
10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes?
- Yes[] No[] N/A[X]
Yes[] No[] N/A[X]
Yes[] No[] N/A[X]

BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person?
- Yes[X] No[]

Yes[X] No[]

Yes[X] No[]

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
14.11 To directors or other officers
14.12 To stockholders not officers
14.13 Trustees, supreme or grand (Fraternal only)

14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
14.21 To directors or other officers
14.22 To stockholders not officers
14.23 Trustees, supreme or grand (Fraternal only)

15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

15.2 If yes, state the amount thereof at December 31 of the current year:
15.21 Rented from others
15.22 Borrowed from others
15.23 Leased from others
15.24 Other
- \$
\$
\$

\$
\$
\$

Yes[] No[X]

\$
\$
\$
\$
- Disclose in Notes to Financial the nature of each obligation.

16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

16.2 If answer is yes:
16.21 Amount paid as losses or risk adjustment
16.22 Amount paid as expenses
16.23 Other amounts paid
- Yes[] No[X]

\$
\$
\$

GENERAL INTERROGATORIES (continued)

INVESTMENT

17. List the following capital stock information for the reporting entity:

	1	2	3	4	5	6
Class	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price If Callable	Is Dividend Rate Limited?	Are Dividends Cumulative?
1. Preferred	Yes[] No[] N/A[X]	Yes[] No[] N/A[X]
2. Common	X X X	X X X	X X X

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits?

Yes[X] No[]

18.2 If no, give full and complete information, relating thereto:

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 2 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1).

Yes[] No[X]

19.2 If yes, state the amount thereof at December 31 of the current year:

- 19.21 Loaned to others
- 19.22 Subject to repurchase agreements
- 19.23 Subject to reverse repurchase agreements
- 19.24 Subject to dollar repurchase agreements
- 19.25 Subject to reverse dollar repurchase agreements
- 19.26 Pledged as collateral
- 19.27 Placed under option agreements
- 19.28 Letter stock or securities restricted as to sale
- 19.29 Other
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- \$

19.3 For each category above, if any of these assets are held by other, identify by whom held:

- 19.31
- 19.32
- 19.33
- 19.34
- 19.35
- 19.36
- 19.37
- 19.38
- 19.39
- For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]

If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]

21.2 If yes, state the amount thereof at December 31 of the current year.

\$

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]

22.1 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1		2
Name of Custodian(s)		Custodian's Address
22.1001	Comerica Bank	P. O. Box 75000, Detroit, MI 48275

GENERAL INTERROGATORIES (continued)

INVESTMENT

22.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year? Yes[] No[X]
22.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

22.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$
23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid

24.1 Amount of payments for legal expenses, if any? \$
24.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$
25.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES (continued)
PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31 Reason for excluding:

1.4 Indicate amount of premium earned attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$

1.6 Individual policies - Most current three years:

1.61 Total premium earned

\$

1.62 Total incurred claims

\$

1.63 Number of covered lives

\$

All years prior to most current three years:

1.64 Total premium earned

\$

1.65 Total incurred claims

\$

1.66 Number of covered lives

\$

1.7 Group policies - Most current three years:

1.71 Total premium earned

\$

1.72 Total incurred claims

\$

1.73 Number of covered lives

\$

All years prior to most current three years:

1.74 Total premium earned

\$

1.75 Total incurred claims

\$

1.76 Number of covered lives

\$

2.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

2.2 If yes, give particulars:

3.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes[X] No[]

3.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[X]

4.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

4.2 If no, explain:

4.3 Maximum retained risk (see instructions):

4.31 Comprehensive Medical

\$

4.32 Medical Only

\$ 150,000

4.33 Medicare Supplement

\$

4.34 Dental

\$

4.35 Other Limited Benefit Plan

\$

4.36 Other

\$

5. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
The State of Michigan requires "hold harmless" language in all Provider contracts. Our reinsurance coverage provides for insolvency by continuing benefits for members who are confined to an acute-care hospital on the date of insolvency until they are discharged. Plan benefits will continue for any member until the end of the contract period for which premium has been paid.

6.1 Does the reporting entity set up its claim liability for provider services on a service data base?

Yes[X] No[]

6.2 If no, give details:

7. Provide the following information regarding participating providers:

7.1 Number of providers at start of reporting year

..... 4436

7.2 Number of providers at end of reporting year

..... 6806

8.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]

8.2 If yes, direct premium earned:

8.21 Business with rate guarantees between 15-36 months

..... 0

8.22 Business with rate guarantees over 36 months

..... 0

9.1 Does the reporting entity have Bonus/Withhold Arrangements in its provider contracts?

Yes[X] No[]

9.2 If yes:

9.21 Maximum amount payable bonuses

\$ 2,648,293

9.22 Amount actually paid for year bonuses

\$ 2,173,421

9.23 Maximum amount payable withholds

\$ 1,889,123

9.24 Amount actually paid for year withholds

\$ 2,130,055

10. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Clinton, MI
Eaton, MI
Kent, MI
Livingston, MI
Muskegon, MI
Ottawa, MI
Washtenaw, MI
Saginaw, MI
Lapeer, MI
Oakland, MI
Macomb, MI
Wayne, MI
Allegan, MI
Barry, MI
Ionia, MI
Shiawassee, MI
Calhoun, MI
St. Clair, MI

FIVE-YEAR HISTORICAL DATA

	1 2002	2 2001	3 2000	4 1999	5 1998
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 23)	55,817,321	55,834,326	47,131,309	57,405,873	59,584,542
2. Total liabilities (Page 3, Line 18)	32,574,237	35,797,983	35,823,892	43,815,080	50,481,845
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 26)	23,243,084	20,036,343	11,307,417	13,590,793	9,102,697
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 7)	286,442,742	258,627,838	273,099,506	267,556,448	274,359,018
6. Total medical and hospital expenses (Line 17)	247,801,755	233,515,257	245,450,906	240,445,638	245,071,244
7. Total administrative expenses (Line 19)	34,242,767	28,787,420	33,046,732	29,679,515	37,817,153
8. Net underwriting gain (loss) (Line 22)	994,915	(4,993,590)	(6,830,914)	(2,568,705)	(8,529,379)
9. Net investment gain (loss) (Line 25)	806,605	1,529,796	2,389,970	2,713,022	3,721,898
10. Total other income (Lines 26 plus 27)	1,371,761	683,079	1,000,840		
11. Net income or (loss) (Line 30)	3,173,281	(2,780,715)	(3,440,104)	144,317	(4,807,481)
RISK-BASED CAPITAL ANALYSIS					
12. Total adjusted capital	23,243,084	20,036,343	11,309,263	13,590,793	
13. Authorized control level risk-based capital	10,186,521	8,378,448	8,282,408	8,758,044	
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	120,679	129,578	136,569	155,589	169,822
15. Total members months (Column 6, Line 7)	1,526,143	1,563,101	1,727,038	1,831,307	2,043,280
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5)					
16. Premiums earned (Lines 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17)	86.5	90.3	89.9	90.0	90.0
18. Total underwriting deductions (Line 21)	99.7	101.9	102.5	101.0	103.1
19. Total underwriting gain (loss) (Line 22)	0.3	(1.9)	(2.5)	(1.0)	(3.1)
UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5)	25,883,159	26,735,047	34,983,136	39,173,502	43,201,715
21. Estimated liability of unpaid claims-[prior year (Line 11, Col. 6)] ..	27,576,052	30,752,806	31,700,992	46,354,538	42,822,825

FIVE-YEAR HISTORICAL DATA (Continued)

		1	2	3	4	5
		2002	2001	2000	1999	1998
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES						
22.	Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
23.	Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)					
24.	Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)					
25.	Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)					
26.	Affiliated mortgage loans on real estate					
27.	All other affiliated					
28.	Total of above Lines 22 to 27					

SCHEDULE D - SUMMARY BY COUNTRY

Long-term Bonds and Stocks OWNED December 31 of Current Year

Description			1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1.	United States	1,598,399	1,598,399	1,578,512	
	2.	Canada	64,653	64,653	63,617	
	3.	Other Countries	81,745	81,745	81,025	
	4.	Totals	1,744,797	1,744,797	1,723,154	
States, Territories and Possessions (Direct and Guaranteed)	5.	United States				
	6.	Canada				
	7.	Other Countries				
	8.	Totals				
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9.	United States				
	10.	Canada				
	11.	Other Countries				
	12.	Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13.	United States				
	14.	Canada				
	15.	Other Countries				
	16.	Totals				
Public Utilities (unaffiliated)	17.	United States				
	18.	Canada				
	19.	Other Countries				
	20.	Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21.	United States	941,848	941,848	925,492	
	22.	Canada				
	23.	Other Countries				
	24.	Totals	941,848	941,848	925,492	
Parent, Subsidiaries and Affiliates	25.	Totals				
	26.	Total Bonds	2,686,645	2,686,645	2,648,646	
PREFERRED STOCKS Public Utilities (unaffiliated)	27.	United States				
	28.	Canada				
	29.	Other Countries				
	30.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31.	United States				
	32.	Canada				
	33.	Other Countries				
	34.	Totals				
Industrial and Miscellaneous (unaffiliated)	35.	United States				
	36.	Canada				
	37.	Other Countries				
	38.	Totals				
Parent, Subsidiaries and Affiliates	39.	Totals				
	40.	Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41.	United States				
	42.	Canada				
	43.	Other Countries				
	44.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45.	United States				
	46.	Canada				
	47.	Other Countries				
	48.	Totals				
Industrial and Miscellaneous (unaffiliated)	49.	United States				
	50.	Canada				
	51.	Other Countries				
	52.	Totals				
Parent, Subsidiaries and Affiliates	53.	Totals				
	54.	Total Common Stocks				
	55.	Total Stocks				
	56.	Total Bonds and Stocks	2,686,645	2,686,645	2,648,646	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$.....

SCHEDULE D - Verification Between Years

1. Book/adjusted carrying value of bonds and stocks, prior year.	6. Foreign Exchange Adjustment
2. Cost of bonds and stocks acquired, Column 6, Part 3..... 9,530,355	6.1 Column 17, Part 1.....
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Section 1.....
3.1 Column 16, Part 1.....	6.3 Column 11, Part 2, Section 2.....
3.2 Column 12, Part 2, Section 1.....	6.4 Column 11, Part 4.....
3.3 Column 10, Part 2, Section 2.....	
3.4 Column 10, Part 4.....	7. Book/adjusted carrying value at end of current period 2,686,645
4. Total gain (loss), Column 14, Part 4.....	8. Total valuation allowance.....
5. Deduct consideration for bonds and stocks disposed of	9. Subtotal (Lines 7 plus 8)..... 2,686,645
Column 6, Part 4..... 6,843,710	10. Total nonadmitted assets.....
	11. Statement value of bonds and stocks, current period 2,686,645

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

			1	2	Direct Business Only			
			Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	3	4	5	6
State, Etc.					Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums
1.	Alabama	AL	No	No				
2.	Alaska	AK	No	No				
3.	Arizona	AZ	No	No				
4.	Arkansas	AR	No	No				
5.	California	CA	No	No				
6.	Colorado	CO	No	No				
7.	Connecticut	CT	No	No				
8.	Delaware	DE	No	No				
9.	District of Columbia	DC	No	No				
10.	Florida	FL	No	No				
11.	Georgia	GA	No	No				
12.	Hawaii	HI	No	No				
13.	Idaho	ID	No	No				
14.	Illinois	IL	No	No				
15.	Indiana	IN	No	No				
16.	Iowa	IA	No	No				
17.	Kansas	KS	No	No				
18.	Kentucky	KY	No	No				
19.	Louisiana	LA	No	No				
20.	Maine	ME	No	No				
21.	Maryland	MD	No	No				
22.	Massachusetts	MA	No	No				
23.	Michigan	MI	No	Yes	277,989,005	(20,765)	9,557,081	
24.	Minnesota	MN	No	No				
25.	Mississippi	MS	No	No				
26.	Missouri	MO	No	No				
27.	Montana	MT	No	No				
28.	Nebraska	NE	No	No				
29.	Nevada	NV	No	No				
30.	New Hampshire	NH	No	No				
31.	New Jersey	NJ	No	No				
32.	New Mexico	NM	No	No				
33.	New York	NY	No	No				
34.	North Carolina	NC	No	No				
35.	North Dakota	ND	No	No				
36.	Ohio	OH	No	No				
37.	Oklahoma	OK	No	No				
38.	Oregon	OR	No	No				
39.	Pennsylvania	PA	No	No				
40.	Rhode Island	RI	No	No				
41.	South Carolina	SC	No	No				
42.	South Dakota	SD	No	No				
43.	Tennessee	TN	No	No				
44.	Texas	TX	No	No				
45.	Utah	UT	No	No				
46.	Vermont	VT	No	No				
47.	Virginia	VA	No	No				
48.	Washington	WA	No	No				
49.	West Virginia	WV	No	No				
50.	Wisconsin	WI	No	No				
51.	Wyoming	WY	No	No				
52.	American Samoa	AS	No	No				
53.	Guam	GU	No	No				
54.	Puerto Rico	PR	No	No				
55.	U.S. Virgin Islands	VI	No	No				
56.	Canada	CN	No	No				
57.	Aggregate other alien	OT	X X X	X X X				
58.	TOTAL (Direct Business)		X X X	(a) 1	277,989,005	(20,765)	9,557,081	
DETAILS OF WRITE-INS								
5701								
5702								
5703								
5798.	Summary of remaining write-ins for Line 57 from overflow page							
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)							

(a) Insert the number of yes responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART